

**Town of Concord
Finance Committee –Guidelines Subcommittee
Meeting Minutes - November 14, 2019**

Present: Dean Banfield, Mary Hartman, Richard Jamison, Dee Ortner, Parashar Patel, Christine Reynolds, Wade Rubinstein, Brian Taylor, Thomas Tarpey and Andrea Zall

Absent: Peter Fischelis, Greg Guarriello, John Hickling, Karle Packard and Phil Swain

Others Present: School Committee Member Cynthia Rainey; Select Board Member Michael Lawson; Town Manager Stephen Crane; Finance Director Kerry Lafleur; Budget & Purchasing Director Jonathan Harris; Resident Karlen Reed; Recording Secretary Anita Tekle

Meeting Opened

Ms. Hartman called the meeting to order in the Select Board Meeting Room at the Town House at 7:00 pm. She announced that the meeting was not being televised or recorded.

Approval of Minutes

On a **MOTION** made by Ms. Ortner and seconded by Ms. Reynolds, the minutes of the October 10, 2019 Guidelines Subcommittee were unanimously **APPROVED** as drafted.

Town Manager Budget Presentation

Mr. Crane prefaced his budget presentation with an announcement that the Town has experienced a data breach. The matter is under investigation. He referred all to the Town's web site, where he has posted a press release about the matter.

Mr. Crane presented his preliminary budget, which at this point falls \$19,788 lower than the Finance Committee (FC) guideline. He thanked Ms. Lafleur and Mr. Harris for their assistance in the preparation of the budget. He noted that while the FC guideline provided for an increase of \$717,666 over the FY20 budget, the department requests came in at \$1,263,957. He has looked for areas to find more revenue as well as for areas to decrease expenditures in an effort to come within the FC guideline. He noted that there are a couple of small outstanding items that he needs to identify in the budget, but overall he anticipates that the final budget will be at or below the FC guideline.

Mr. Crane noted that the budget includes an increase of two FTE positions (he received requests for five new FTEs). An ongoing analysis of all vacant positions has been conducted. If a position has been vacant and has gone unfilled for one year or longer, then a decision will be made to either fill the position, or agree that the position is not currently needed.

One of the new positions is a Land Manager (Dept. of Planning & Land Manager). The other is a new Dispatcher for the overnight shift (Police Department). Mr. Crane noted that he is considering moving some functions to other departments, and combining other positions. An example of an area he is exploring is the Tree Warden, which is currently budgeted in the Highway Department, while oversight of the Tree Bylaw falls under the Building Inspector. He is exploring a possible partnership with the Concord Land Trust for some conservation land services. He noted that there is currently only one dispatcher scheduled for the overnight shift, and he is recommending two positions due to the increased number of EMS calls and the aging population. He also noted that a minimum of two dispatchers per shift may become a mandate in the future. In the Fire Department, four Firefighter positions are being promoted to Lieutenants (one in each group), with no staff added. In response to a question from Mr. Banfield, Mr. Crane explained that on each shift there is one Captain assigned, who is stationed at Walden Street. There is currently no command staff assigned to the West Concord station. Changing one of the existing Firefighter positions to Lieutenant would provide for that person to serve as an incident commander at the West Concord station.

Mr. Crane reported that he is reviewing the existing Tourism Coordinator position and considering adding economic vitality duties, which would use some of the funds remaining in the FC guideline. These added duties are still under development. He noted that an Economic Vitality Committee has recently been formed by the Select Board.

Ms. Hartman inquired how Mr. Crane was able to bring the budget below the guideline, while still adding two new positions and expanding duties for others. Ms. Lafleur responded that for the Land Manager position, some resources are being pulled from existing funding in other areas (decrease in hours for inspections for a part-time inspector). Mr. Crane noted that in the Police and Fire Departments, savings have been experienced due to attrition and retirements, with new hires starting at lower salary levels. Mr. Jamison asked whether area towns share resources through mutual aid, so that not all communities would need to acquire all equipment, such as a ladder truck. Mr. Crane responded that fire equipment can be complicated, with sometimes more than one call coming in simultaneously. This would require each community to have most equipment. He also noted that "response time" is the single most critical factor in deciding on staffing and equipment. He noted that Concord is part of a regional agreement with area towns and Emerson Hospital for the provision of ALS ambulance services (we provide basic EMS services in-house).

Ms. Ortner asked what has been found in Mr. Crane's review of vacant positions, and whether any vacant positions can be eliminated. Mr. Crane noted that in some cases a position has been vacant due to failed recruitment. In other cases, technology has evolved, and a position may no longer be needed as currently designed. A number of

factors are involved. Ms. Lafleur responded that no decision has been made about eliminating any of the vacant positions. Ms. Hartman asked Mr. Crane to clarify whether the budget presented includes funding for positions that may be eliminated. Mr. Crane responded that he anticipates that funding for all positions will be kept “on the books,” with the funding moved to the salary reserve account rather than retained in the department budget. The positions will be retained on the Town’s organizational chart, but filling the position will have to be justified in order to move the money from the salary reserve account to the department budget.

Ms. Lafleur noted that the salary reserve account (Line 33) has been artificially high in the recent past due to unsigned labor contracts. She explained that funds are appropriated at town meeting into the salary reserve account, and then funds are moved into department budgets when the funds are needed. In the past, Line 33 has not been used as a “placeholder” for unfilled positions. The Town Manager is proposing to use Line 33 for this purpose going forward when a position has been vacant for one year or longer.

Mr. Crane reviewed the highlights in his proposed budget:

- Line 26B Senior Services - \$25,000 increase—social workers are currently underpaid, and he anticipates granting some market rate salary adjustments
- Line 2 Legal Services -- \$75,000 increase due to Estabrook Woods and a review of tobacco regulations
- Line 1E Visitor Center -- \$18,000 increase
- Line 5B Natural Resources -- \$62,000 increase for Land Manager
- Consolidation of building supplies for facilities - \$20,000 decrease
- Line 11 Police Department - \$40,000 increase for new dispatcher
- Line 12 Fire Department -- \$44,000 promotion of 4 firefighters to lieutenant; \$8,000 increase in staff training; \$26,000 increase in overtime

Ms. Ortnier asked whether there are ways that town meeting costs (\$97,000) can be reduced. Mr. Crane responded that the high school space that is used belongs to the regional school district, and some of the costs relate to that fact. The current budget includes funds for electronic voting, which is still under consideration for the coming year. He noted that the use of electronic voting may help to bring town meeting to three nights (rather than four), which would reduce costs. The survey conducted at the last town meeting did not provide the town with a clear mandate to move forward with electronic voting. He noted that he is recommending that the new middle school be designed to accommodate town meeting, including a built-in sound system.

Ms. Reynolds asked whether Mr. Crane is comfortable with a legal services appropriation of \$325,000. Mr. Crane responded that he is not 100% confident, since legal services are not totally within the Town’s hands - both parties can drive up legal

fees. In looking at costs going back 3-4 years, he is comfortable that this amount will suffice. Ms. Hartman asked whether Mr. Crane would come back to town meeting in the fall, if a special town meeting were to be scheduled, if he found that additional legal service funds would likely be needed. Mr. Crane responded that he would consider that, but his preference would be to use the Reserve Fund. Ms. Hartman, Mr. Banfield and others responded that the FC does not encourage using the Reserve Fund for legal services, since it is generally not an unanticipated expense. Mr. Crane responded that while litigation can be somewhat anticipated, the response from the other side is sometimes unanticipated. Mr. Banfield explained that the FC is not an elected body, and is included in the process for approval of use of the Reserve Fund. For the past two years, the FC was asked to sign off on the use of the funds for legal services, which the FC found to be a challenge. Mr. Crane noted that the timing can be challenging to anticipate. Ms. Hartman responded that the “run rate” of the legal expenses can and should be anticipated.

In response to a question about the remaining balance in the MEWS Stabilization Fund, Ms. Lafleur noted that she anticipates the balance to be approximately \$500,000 at the end of FY20, but she will get back to the FC with a firmer figure. Last year, the four new firefighters were charged $\frac{3}{4}$ to the Stabilization Fund and $\frac{1}{4}$ to the General Fund. She anticipates that split to be 50-50 in FY21.

Follow-up: Ms. Lafleur will provide the FC with a definitive number for the balance in the MEWS Stabilization Fund.

Capital Budget Mr. Crane explained that he is targeting a budget of 2% for capital projects (not using borrowed funds) and 5% for capital projects (using borrowed funds). Ms. Hartman noted that she has been unable to get a good picture of the costs to the Town for the acquisition of the Gerow land and the White Pond Association land. She noted that the projected cost given to the public about the White Pond land has grown from \$1.2 million to \$2.1 million. She urged that more transparency be the norm going forward. She asked whether the Town Manager’s 5% target was to “refresh” existing assets or to be spent on new projects. Mr. Crane responded that the Town prefers to space out large capital expenditures in order to avoid spikes in debt. That requires some projects to be phased in order to minimize the impact. This may appear that the Town is trying to “soft sell” a project in order to obtain town meeting approval. He agreed to work with Deputy Town Manager Kate Hodges to be sure that due diligence is done to make the town meeting presentations on these projects as complete and transparent as possible.

Ms. Hartman noted that the scope of some of these projects appears to have increased, and asked how to assure that visibility is given to changes in projects. Mr. Crane responded that he has spoken with both Ms. Hodges and Director of Planning & Land

Management Marcia Rasmussen about the White Pond and Gerow land projects, and noted that some things developed about which they were previously unaware. An effort is made to manage projects so that costs don't escalate beyond what is anticipated, which is not always due to an expanse of scope. Ms. Hartman expressed concern that once the Town acquires additional information that may affect costs, an effort should be made to tell the public. Mr. Patel shared Ms. Hartman's concern, noting that town meeting accepted the White Pond gift in anticipation that the cost would be "x," but the cost has now increased to "y" - what is the mechanism to bringing the matter back to town meeting? Mr. Banfield suggested that the Town Manager be more explicit with future capital requests for Gerow or White Pond, such as "this is what we originally anticipated needing, and this is what we now need." He noted that when funds are taken from different "buckets," the total is not always clear to town meeting voters. He suggested that a fragmented view is difficult for voters to understand.

Ms. Zall commented that sometimes a "gift" is not a gift. She noted that the White Pond Assn. could not afford to pay for the improvements that the Town is now considering for White Pond, which is one of the reasons they offered the land to the Town. She felt that the town meeting presentation was not clear, and more research should have been done so that the accurate information could have been presented at town meeting, and perhaps would have impacted the town meeting vote. She questioned whether the Town can afford to do all of the work that is needed in order to make the use of White Pond as a public beach feasible. Ms. Hartman noted that some funds were anticipated to come from the White Pond Assn. to help in paying for capital projects at White Pond. She noted that the project moved fast in order to open the beach in time for the 2019 summer season, and very little information was provided. She suggested that more detailed information be provided this year, with a better estimate of the full cost of acceptance of the gift. Ms. Ortnier noted that we are only looking at one year at a time, and we should be looking at longer-term and "bigger picture" anticipated costs for capital projects. Ms. Reynolds desired more distinction between town "wants" and "needs" when discussing capital projects.

Mr. Crane thanked the FC for the helpful feedback, noting that this is his first time going through this process in Concord. He agreed to discuss the White Pond and Gerow projects with Ms. Hodges, and will provide the FC with additional details going forward. Mr. Jamison suggested that the format include (1) costs to date; (2) costs to complete the project; and (3) variance of costs from original estimates. Mr. Crane noted that the format of the presentation may have been the issue, with the combined use of CPA and General Funds, with the cost estimates known at that time. Ms. Hartman urged Mr. Crane to think about how to present the capital budget so that it would more readily be understood by the public. Mr. Taylor suggested the potential for inconsistencies in the language of warrant articles when using multiple funding sources, which will generate questions, about which town officials should be mindful.

Ms. Ortnier asked whether businesses in the area of the proposed pedestrian bridge project over the Assabet River will be contributing to the cost of construction. Ms. Hartman, observer to the CPA Committee, noted that the businesses in the area of the proposed bridge are being asked to contribute funds.

Public Comments

Karlen Reed, Chair of the PEG Committee, noted that there is no listing in the Enterprise Fund capital budget for the PEG Fund. She asked Mr. Crane when the PEG Committee will obtain quarterly reports, the 5-year capital plan, and the annual budget for the PEG fund. Mr. Crane agreed to attend the upcoming PEG Committee meeting on November 20, and will provide the committee with a timetable.

Adjournment

The meeting adjourned at 8:37 pm.

Respectfully submitted,

Anita S. Tekle
Recording Secretary

Documents Used or Referenced at Meeting:

- Town Manager's FY21 Budget Analysis (dated 11.14.2019)
- Town Manager's FY21 Town Government Budget as of 11.4.2019 - Departmental Request Summary
- FY21-FY25 Capital Outlay Plan (General Fund) (dated 11.14.2019)
- FY21-FY25 Capital Program Debt Authorization Plan (dated 11.14.2019)